



City of Sunnyvale
Department of Finance
650 W. Olive Avenue
Sunnyvale, CA 94086-7637

Office of Utility Billing Phone: (408) 730-7400 TDD: (408) 730-7501 FAX: (408) 737-4950

«Name»
«CAREOF»
«Mailing_Address_1»
«Mailing_Address_2»

Assessor's Parcel Number: «APN2»
Service Address: «s_addr»

NOTICE OF PUBLIC HEARING

PROPOSED RATE INCREASES FOR WASTEWATER SERVICE

FISCAL YEAR 2013/14

On **Tuesday, June 11, 2013**, the Sunnyvale City Council will hold a public hearing regarding proposed increases to utility rates for wastewater (sewer) services provided by the City of Sunnyvale. The hearing will be held at **7 p.m. in the City Council Chambers located at 456 W. Olive Ave. in Sunnyvale.**

The City of Sunnyvale owns and operates a small sewer collection system within northern Cupertino and part of the City of San Jose. As part of the yearly process of reviewing the financial condition of Sunnyvale's utilities, the City Council considers annual adjustments to its wastewater rates. If you are receiving this notice, it is because you receive a yearly charge on your property tax bill for wastewater service at the above property address.

Wastewater rates pay for the collection and treatment of wastewater from all residences and businesses in Sunnyvale and within the service area outside the City. The proposed increase for wastewater service is 6.5% for the coming fiscal year. Wastewater rates continue to be driven by needed improvements to Sunnyvale's aging wastewater collection and treatment infrastructure, which is projected to require a total investment of \$410 million over the next twenty years. The majority of the cost is related to the replacement of the City's wastewater treatment plant, which is more than 50 years old. In addition to the general increase in rates, the City completed a wastewater rate cost of service study, which periodically recalibrates rates for groups of customers based on their use of the system. This resulted in adjustments to rates that vary based on the type of customer and how much they are using the system. The adjustments did not significantly affect residential rates. The most significant impact was to the commercial high strength sewer rate, which is proposed to increase by \$0.62 per hundred cubic feet of metered water use.

Additionally, the City Council will be hearing input regarding an alternative residential wastewater rate structure, which, if adopted, would be implemented over a one year period and begin to appear on property tax bills after July, 2014. Currently, both single and multi-family wastewater rates are a fixed amount. Under the alternative structure, approximately one quarter of the fixed charge would be directly related to each individual customer's water use. The purpose of the potential change is to more closely tie individual residential wastewater bills to how much each customer actually discharges to the City's wastewater system. More information about the alternate rates and examples of how the rates would be calculated is available on the City's website at UtilityRates.inSunnyvale.com or by calling 408-730-7400.

The rates charged to customers outside of Sunnyvale city limits are the same rates charged inside the City with the exception of an administrative fee¹ added to cover the cost of placing the charges on the property tax roll. Details regarding factors driving rate changes will be available in the 2013/14 Utility Rate Report to Council, available in

the City Clerk's Office and on the City's website (www.sunnyvale.ca.gov) at least two weeks prior to the hearing. A comparison between Sunnyvale's rates and those of surrounding communities is available at UtilityRates.inSunnyvale.com or by calling (408) 730-7400, TDD (408) 730-7501. Rates will become effective upon adoption by the Sunnyvale City Council and will appear on your Santa Clara County property tax bill. This letter may be made available in alternative formats upon request by calling the City of Sunnyvale Utility Billing Office at (408) 730-7400, TDD (408) 730-7501.

The current and proposed rates and fees for wastewater service outside of Sunnyvale city limits are:

2013/2014	Current Annual Charge	Administrative Fee ¹	Total Current Charge	Proposed Annual Charge	Administrative Fee ¹	Total Proposed Charge
Residential Users (per Unit)						
Single Family Dwellings	\$ 390.48	\$ 3.94	\$ 394.42	\$ 404.76	\$ 4.09	\$ 408.85
Multi-Family Dwellings	\$ 243.84	\$ 2.46	\$ 246.30	\$ 261.24	\$ 2.64	\$ 263.88
Alternate Residential Rate Structure (per Unit)						
Single Family Dwellings – Fixed Charge				\$ 285.00	\$ 2.88	\$ 287.88
Single Family Dwellings – Variable Charge ²				\$ 1.05	\$ 0.01	\$ 1.06
Multi Family Dwellings – Fixed Charge				\$ 183.96	\$ 1.86	\$ 185.82
Multi Family Dwellings – Variable Charge ²				\$ 1.05	\$ 0.01	\$ 1.06
Commercial Users³ (\$ per CCF of Water Consumption)						
Low Strength	\$ 2.83	\$ 0.03	\$ 2.86	\$ 3.01	\$ 0.03	\$ 3.04
Standard Strength	\$ 3.18	\$ 0.03	\$ 3.21	\$ 3.33	\$ 0.03	\$ 3.36
High Strength	\$ 4.73	\$ 0.05	\$ 4.78	\$ 5.35	\$ 0.05	\$ 5.40

¹. Administrative fee is charged by Santa Clara County for processing charges on the tax roll.

². Variable component of bill based on prior winter monthly water use (Jan – Apr), capped at 20ccf per month.

³. Annual commercial charge is based on the prior year total metered water consumption.

PROTEST PROCESS

If you wish to protest the proposed service rate increases, the City must receive your *written* protest prior to the close of the public hearing on June 11, 2013. As required by California Proposition 218, should the City Council receive written protests from a majority of customers, the proposed rates will not become effective and the current rates will remain in place. Mail or deliver written protests to:

Attention: Utility Rate Protest
City of Sunnyvale, Department of Finance
650 W. Olive Ave., Sunnyvale, CA 94086-7637

For your protest to be counted, please include the address(es) or Assessor's Parcel number(s) of the property(ies) you own. Protests are limited to one per parcel. If you have any questions about the protest process or proposed rates, please call (408) 730-7400, TDD (408) 730-7501.